

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0542-01
Bill No.: HB 0134
Subject: Health Care; Health, Public; Hospitals; Medical Procedures and Personnel;
Mental Health
Type: Original
Date: January 4, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$32,565)	(\$29,683)	(\$30,431)
Total Estimated Net Effect on <u>All</u> State Funds	(\$32,565)	(\$29,683)	(\$30,431)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** assume the proposed legislation would not fiscally impact their agency.

Officials from the **Department of Mental Health (DMH)** assume this proposal would fiscally impact their agency because the bill requires reporting on certain procedures to the DMH. The bill states that failure to send such reports to the DMH is a misdemeanor and requires the DMH to analyze, audit, and monitor such procedures using the information in the reports. Because of numerous "unknown or unclear" aspects of this bill it is not possible to arrive at a clear determination of costs.

The DMH officials state if the purpose of the bill is to obtain purely statistical information for the purpose of tracking the prevalence of such procedures (which according to the DOH Client Abstract System exceeded 1,000 procedures in 1999), the Department would require 1 FTE clerk typist to handle the required quarterly hospital and physician survey mailings, the receipt and filing of the surveys, the entry of the required data into a database, and follow-up (written and phone) on surveys not returned.

"If the intent is to do the above and to perform detailed statistical/analytical and qualitative examination of the data two FTE research analysts would be needed. This estimate is based upon the amount of data required under this bill, which requires significantly more information on these procedures than what is currently captured by the DOH Patient Abstract System (which currently requires the use of 2 FTE Research Analysts by the DOH for system and data maintenance). The DMH analysts would be reviewing over 1000 cases for qualitative as well as quantitative data and handling phone follow-ups on reports raising questions. This would greatly increase the projected cost of the bill."

"However, if the intent of the bill is to have a qualified ""peer"" review of the data for indications of improper use and results of such procedures at least one additional FTE, a physician, would be required. The information required under this bill is not only statistical in nature but qualitative as well. This data does not lend itself to entry into an electronic system. The potential requirements of this bill, if a peer review of the procedures is intended, would significantly increase the cost of the note.

If the intent of the bill is the gathering and analysis of the data as written above plus field visits to monitor and audit the hospitals and physicians which use these procedures the cost and FTEs required would be significantly increased. There is currently no means available to calculate this cost."

ASSUMPTION (continued)

This bill not only does not give any indication what the specific purpose is for such analysis, auditing and monitoring, it does not specify what the DMH is to do if something "out of the ordinary" were to be found from the information in the reports (which could require the hiring of attorneys to handle such legal actions).

Therefore, DMH officials assume the work to receive these reports, and process them according to the bill would be strictly of a "desk" audit, analysis, and monitoring in nature rather than "field" audit, and monitoring. For this reason the cost of the note is limited to 1 FTE clerk typist position. If, however, the DMH were to report violations of this bill for prosecution by the Attorney General this might necessitate additional costs.

The clerk typist would be responsible for developing and maintaining the database on the required procedures, handle the distribution and receipt of the required quarterly reports from the hospitals and doctors, and spending a large portion of their time on the anticipated follow-up calls with hospitals and doctors who fail to return reports. The data required to be reported goes above simple entry of statistical information and as such will be labor intensive. This position will also be responsible for the development and distribution of quarterly reports on the data received and statutory compliance levels.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Costs - Department of Mental Health</u>			
Personal Service (1 FTE)	(\$17,487)	(\$21,508)	(\$22,046)
Fringe Benefits	(\$5,828)	(\$7,169)	(\$7,348)
Expenses and Equipment	<u>(\$9,250)</u>	<u>(\$1,006)</u>	<u>(\$1,037)</u>
<u>Total Costs - Department of Mental Health</u>	<u>(\$32,565)</u>	<u>(\$29,683)</u>	<u>(\$30,431)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$32,565)</u>	<u>(\$29,683)</u>	<u>(\$30,431)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require mental health hospitals or facilities to submit a quarterly report to the Department of Mental Health if such facilities and physicians (on an outpatient basis) administer electroconvulsive therapy, psychosurgery, or other specified therapies for the treatment of mental illness. The proposal specifies the components which would be included in the quarterly reports. Mental hospitals, facilities, or physicians who violate provisions of the proposal would be committing a misdemeanor and would be subject to a specific fine, confinement in jail, or both. The penalties contained in the proposal would apply to violations committed on or after August 28, 2001. For violations committed before August 28, 2001, current law would apply.

The department would be required to use the submitted information for the purposes of auditing, analyzing, and monitoring the use of such therapies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Mental Health



Jeanne Jarrett, CPA
Director

January 4, 2001